

Hawker Britton

Government Relations Strategy

McGowan Government announces Corona Virus Economic Stimulus Package

Premier McGowan has announced a \$607 million stimulus package to support Western Australian (WA) households and small businesses in the wake of COVID-19.

These measures are possible due to the McGowan Government's responsible financial management and strong budget surplus and complement recent Federal announcements.

Initiatives include:

- \$402 million allocated to immediately freeze household fees and charges, including electricity, water, motor vehicle charges, the emergency services levy and public transport fares; and
- \$91 million to be allocated to double the Energy Assistance Payment (EAP) to \$600 to support vulnerable Western Australians, including pensioners.

\$114 million in additional measures to support small businesses:

- A one-off grant of \$17,500 for small businesses that pay payroll tax; 7,400 WA businesses are expected to benefit from the grant;
- \$1 million payroll tax threshold brought forward by six months to July 1, 2020; and
- Businesses impacted by COVID-19 can defer payroll tax payments until July 21, 2020. The deferral is available to employers who pay \$7.5 million or less in Australian Taxable Wages and have been directly or indirectly impacted by COVID-19, compared to normal operating conditions.

COVID-19 leave

'COVID-19 leave' will be available for all Western Australian public sector workers (PS). Up to 20 days will be available to PS employees whose paid personal, carers, or sick leave entitlements are exhausted. This is to ensure a safe working environment and reduce spread of the virus. See Minister Johnston [Media Statements](#).

Extended trading hours

Additionally, extended trading hours specifically for pensioners, the elderly and people with disabilities are now in place. Coles and Woolworths are open 7am-8am Monday to Saturday and between 10am-11am on Sunday until 16 April. Other applications which support the elderly and disabled during the pandemic will be considered by the government.

Western Australia Pandemic Plan

An updated Western Australia Pandemic Plan outlining how government bodies, households and businesses should prepare for, and respond to, a pandemic was released on 10 March by Premier McGowan. See [Government Publications](#) for the full plan.

Treasurer's Advance

Legislation was introduced to Parliament in the first week of April to increase the Treasurer's Advance limit by \$1 billion, taking the total to \$1.7 billion. This will give the State Government immediate capacity to fund further economic stimulus measures, and crucial health or other services that may be required in coming months.

Deferred initiatives

Cabinet have agreed on a number of initiatives that will be deferred indefinitely, in an effort to free up resources and allow the State Government to continue to focus all efforts on responding to COVID-19.

With immediate effect, the following programs will be put on hold indefinitely:

- The McGowan Government's Public Sector Reform Program;
- Our Priorities: Sharing Prosperity;
- Strategic Assessment of the Perth and Peel Regions; and
- The Supporting Communities Forum.

Where possible, staff in these areas will be reassigned to COVID-19 related tasks.

Infrastructure

Infrastructure Western Australia (IWA) has agreed to scale back work on preparing the State's 20-year infrastructure plan.

In addition, BHP have agreed to release the \$230 million that was allocated towards the construction of a new women's and maternity hospital, as part of a royalties settlement reached last year. This funding will now go towards the State's COVID-19 response.

JobKeeper

The McGowan Government will introduce urgent legislation to Parliament on April 15 to exempt Western Australian businesses from paying payroll tax on the Commonwealth's JobKeeper wage subsidy.

This legislation comes on top of \$1.7 billion in support measures for WA businesses and households announced by the McGowan Government last month.

Further information

Premier Mark McGowan dated 16 March 2020, '*COVID-19 economic response: Relief for businesses and households*', go to [Media Statements](#)

Minister Bill Johnston dated 16 March 2020, '*McGowan Government introduces COVID-19 Leave for Public Sector Workers*', go to [Media Statements](#)

Minister John Quigley dated 16 March 2020, '*Extra shopping hours to help WA's pensioners and people with disabilities*', go to [Media Statements](#)



[Department of Finance website](#) – information relating to payroll tax deferral

For more information, please contact your Hawker Britton consultant Simon Banks on +61 419 638 587.

For further coverage of Labor Government Response Packages to the COVID-19 Pandemic see Hawker Britton Occasional Papers [here](#).

For further coverage of Liberal Government Response Packages to the COVID-19 Pandemic see Barton Deakin Briefs [here](#).